

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
P.O. BOX 942732  
SACRAMENTO, CA 94234-7320



December 8, 1989

Letter No.: 89-112

TO: All County Welfare Directors  
All County Administrative Officers

SUBJECT: TREATMENT OF JAPANESE-AMERICAN AND ALEUTIAN RESTITUTION PAYMENTS  
AND AVAILABILITY OF CHILD SUPPORT AND ALIMONY PAYMENTS MADE BY  
AGED, BLIND OR DISABLED MEDICALLY NEEDY (ABD MN) PERSONS

The purpose of this letter is to discuss proper treatment of certain restitution payments as well as to remind counties of Medi-Cal policy with respect to child support or alimony payments made by ABD MN persons.

JAPANESE-AMERICAN AND ALEUTIAN RESTITUTION PAYMENTS

The federal government has recently begun issuing restitution payments to Japanese-Americans (or if deceased, to their survivors) and Aleuts who were interned or relocated during World War II. Effective immediately, these payments are to be considered exempt as income in the month received and may not be used to compute the share of cost.

These payments may, however, be exempted as property in the following months under the same conditions as German Reparation Payments. These conditions are set forth in All County Welfare Directors Letter No. 88-46. In summary, these payments are exempt in the month following the month of receipt to the extent the funds are retained and kept identifiable. If the excluded funds have been commingled with nonexcluded funds, it is the applicant's responsibility to maintain records or other means of distinguishing the excluded from the nonexcluded funds unless otherwise advised by the beneficiary. However, once the excluded payments have been spent, the exemption does not carry over to the property or materials purchased. All property acquired must be included in the property reserve unless exempted under another regulation.

All interest earned on exempt restitution payments must be considered unearned income in the month received and used to compute the share of cost.

The Medi-Cal applicant/beneficiary must verify the nature of the payment, the amount, and the date of receipt by providing copies of grant award

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letters, approved grant forms or other documents. If the applicant/  
beneficiary does not have such documentation, it may be obtained from:

Office of Redress Administration  
U. S. Department of Justice  
P.O. Box 66260  
Washington, D.C. 20035-6260

Requests for verification must contain the individual's name, date of birth  
and social security number. In the case of a survivor receiving benefits,  
the name, date of birth and social security number of the deceased person  
must also be included.

CHILD SUPPORT/ALIMONY PAYMENTS MADE BY ABD MN PERSONS

This is to remind counties that, under the court order in Gibbons v. Rank,  
any income used by an ABD MN to pay court ordered child support or alimony  
is considered unavailable when computing the Medi-Cal share of cost. The  
amount to be considered unavailable is the amount specified in the court  
order or the amount actually paid, which ever is less. Please note that  
this treatment also applies to patients in long term care (LTC) because  
unavailable income is not added back, as are income deductions.

A regulation package is in the process of being filed. However, these  
changes are not considered to require emergency authority. Please retain  
this letter until such time as the regulations are final.

If you have any questions regarding income, please contact Toni Bailey at  
(916) 324-4967. If you have any questions regarding property, please  
contact Lisa Reagan at (916) 324-4967.

Sincerely,

Original signed by

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration Date: December 8, 1990